

§ 802.52

16 CFR Ch. I (1–1–06 Edition)

in the United States (other than investment assets, voting or nonvoting securities of another person, and assets included pursuant to §801.40(d)(2) of this chapter) are less than \$110 million (as adjusted); and

(4) The transaction does not meet the criteria of Section 7A(a)(2)(A).

Example to §802.51 1. “A,” a U.S. person, is to acquire the voting securities of C, a foreign issuer. C has no assets in the United States, but made aggregate sales into the United States of in excess of 50 million (as adjusted) in the most recent fiscal year. The transaction is not exempt under this section.

2. Assume that “A” and “B” are foreign persons with aggregate sales in or into the United States in excess of \$110 million (as adjusted), and that “A” is acquiring 100% of the voting securities of “B.” Included within “B” is U.S. issuer C, whose total U.S. assets are valued in excess of \$50 million (as adjusted). Since “A” will be acquiring control of an issuer, C, with total U.S. assets of more than \$50 million (as adjusted), and the parties’ aggregate sales in or into the U.S. in the relevant time period exceed \$110 million (as adjusted), the acquisition is not exempt under this section.

3. “A,” a foreign person, intends to acquire 100 percent of the voting securities of two wholly owned subsidiaries of “B” for a total of in excess of \$50 million (as adjusted). BSUB1 is a foreign issuer with less than \$50 million (as adjusted) in sales into the U.S. in its most recent fiscal year and with assets of less than \$50 million (as adjusted) located in the U.S. Less than \$50 million (as adjusted) of the acquisition price has been allocated to BSUB1. BSUB2 is a U.S. issuer with more than \$50 million (as adjusted) in U.S. sales and more than \$50 million (as adjusted) in assets located in the U.S. Less than \$50 million (as adjusted) of the acquisition price is allocated to BSUB2. Since BSUB1 does not exceed the \$50 million (as adjusted) limitation for U.S. sales or assets in §802.51(b), its voting securities are not held as a result of the acquisition (see §801.15(b) of this chapter). Since the acquisition price for BSUB2 alone would not result in “A” holding in excess of \$50 million (as adjusted) of voting securities of the acquired person, the transaction is non-reportable in its entirety. Note that the U.S. sales and assets of BSUB1 are not aggregated with those of BSUB2 for purposes of determining whether the limitations in paragraph (b) of this section are exceeded. If BSUB2 were also a foreign issuer, such aggregation would be required under paragraph (b)(2) of this section, and the transaction in its entirety would be reportable.

[67 FR 11904, Mar. 18, 2002; 67 FR 13716, Mar. 26, 2002, as amended at 70 FR 4996, Jan. 31, 2005]

§ 802.52 Acquisitions by or from foreign governmental corporations.

An acquisition shall be exempt from the requirements of the act if:

(a) The ultimate parent entity of either the acquiring person or the acquired person is controlled by a foreign state, foreign government, or agency thereof; and

(b) The acquisition is of assets located within that foreign state or of voting securities of an issuer organized under the laws of that state.

Example: The government of foreign country X has decided to sell assets of its wholly owned corporation, B, all of which are located in foreign country X. The buyer is “A,” a U.S. person. Regardless of the aggregate sales in or into the United States attributable to the assets of B, the transaction is exempt under this section. (If such aggregate sales were \$50 million (as adjusted) or less, the transaction would also be exempt under §802.50).

[43 FR 33544, July 31, 1978, as amended at 67 FR 11904, Mar. 18, 2002; 70 FR 4996, Jan. 31, 2005]

§ 802.53 Certain foreign banking transactions.

An acquisition which requires the consent or approval of the Board of Governors of the Federal Reserve System under section 25 or section 25(a) of the Federal Reserve Act, 12 U.S.C. 601, 615, shall be exempt from the requirements of the act if copies of all information and documentary material filed with the Board of Governors are contemporaneously filed with the Federal Trade Commission and Assistant Attorney General at least 30 days prior to consummation of the acquisition. In lieu of such information and documentary material or any portion thereof, an index describing such material may be provided in the manner authorized by §802.6(a).

[43 FR 33544, July 31, 1978, as amended at 48 FR 34435, July 29, 1983]

§ 802.60 Acquisitions by securities underwriters.

An acquisition of voting securities by a person acting as a securities underwriter, in the ordinary course of business, and in the process of underwriting, shall be exempt from the requirements of the act.